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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Bulgaria

SUBJECT Changes in Bulgarian Industry Caused by Communist Control

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1. "Bulgarian industry was developed during the last 20 or 30 years mainly because of the persistence, thrift and economy of Bulgarian industrialists. It was based not so much on capital as on labor.
2. "At the time of the Communist coup on 9 September 44, Bulgarian industry was on quite a high level. It had already passed the preliminary stage of the petit-bourgeois way of thinking and became concentrated into a small number of industrial families. It was hereditary and was gradually enlarged by successive generations.
3. "The most popular form was Corporation with stocks concentrated in the hands of members of one family. The industrial families produced their own managerial cadres, both in the technical and administration fields, by sending their sons abroad to study at high technical schools and get the necessary practice. Those specialists educated abroad, gave Bulgarian industry its West-European character, both in administration and in organization of labor in the respective industries.
4. "During the last years before the 9 September 44 coup, the majority of machines used in industry were replaced by new ones imported from Czechoslovakia and Hungary, and industrial output at that time could well compete with West European industry both in quality of goods and quantity which completely satisfied internal needs (of course within the branches of industry which existed in Bulgaria).
5. "During the same period the following branches of industry were developed:
Agricultural Products Processing Industry: flour mills, canned food, and alcohol producing plants,
Textile Industry: spinning and textile cotton industry, spinning and textile wool industry, spinning and textile silk industry,
Metal Industry, although only for the production of machines used in other industries,

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2.

Timber Processing Industry,
Tobacco Industry (mainly the handling and preparation of raw material)
Mining Industry,
Leather Industry, etc.

6. "Industrial enterprises in Bulgaria had a sound foundation and worked mainly with their own capital. Only a small percentage used the state or cooperative loan institutions' capital. The participation of foreign capital in industry was rather small. There was a tendency, both on the part of the government and industrialists to invest as little foreign capital as possible.
7. "The Bulgarian industry mainly used Bulgarian raw materials [redacted] 50X1-HUM
8. "There was no workers' class in Bulgaria as such. The Bulgarian worker was a relatively independent person who always had other, additional incomes. Only a very small number of workers lived exclusively on their earnings in industry. The relations between workers and employers were full of loyalty and often friendly. Rights and duties of employers and employees were regulated by a special bill on compulsory collective work agreements. The execution of agreements was controlled on the part of workers by workers' syndicates and on the part of employers by the head and branches organizations of industrialists [sic.] Apart from that there were special labor inspectors who, on behalf of the state, controlled both the execution of agreements and the observation of social legislation. On finding even the smallest offences in this respect they made reports and the guilty were prosecuted and punished accordingly. The disputes between workers and management were dealt with by a special Administrative Court which, by tradition, was inclined to take the side of the weaker worker.
9. "Modern social legislation provided the worker with the following rights: insurance against accident, illness, unemployment and old age; free medical care at home, in hospitals and in health resorts; 47-hour work week; 14 days of paid holidays per year; 36 hours of Sunday rest; all church holidays free from work; proper worker protection during work; a high standard of hygiene in places of work; worker overalls, etc.
10. "The worker had a minimum wage guaranteed by the state and calculated for a family consisting of three persons.
11. "After 9 September 44 efforts were directed toward the economic liquidation of industrialists which resulted in 23 Dec 47 in the total nationalization of the industry. At that time planning was introduced in industry, and every industrial enterprise received orders stating in advance what kind and type of products it must make. Until that date production had been decided upon according to the needs of the market and consumers' likings, now everything was to be produced according to orders of the State Planning Commission.
12. "Each industrial enterprise receives a yearly production plan, which must be very strictly fulfilled. In this way production was greatly simplified and curbed. One can find now [1952] on the market very few types of articles, and thus people have to wear the same clothing, use the same tools, etc. They have no choice.
13. "Very soon raw materials began to be scarce. There were no imports, old reserves were exhausted and soon industry had to use the maximum possible amount of scrap. This, of course, resulted in considerably lowering the quality of goods.
14. "Because of the piece work system introduced generally in industry, the worker tries to get as much as possible out of the machine. This in turn causes machines to quickly wear out, and yet does not increase production because raw material is of poor quality. In addition, the worker comes to work tired and in a bad mood and doesn't care about work.
15. "While formerly each industrial enterprise had its own resources and it was up to its owner to enlarge them to meet production needs, it is absolutely impossible now. In order to make the smallest change or improvement a special permit is needed from various bodies. The whole procedure is greatly complicated and slow, and in addition

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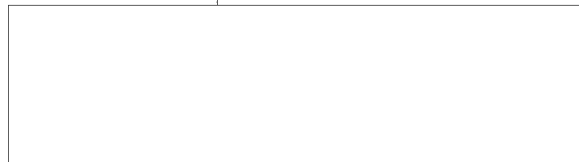
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3.

The present managerial apparatus of enterprises is for the most part unprepared for its post.

16. "The state and the Party are trying to create workers' class. Old workers were deprived of their former economic independence, and new workers from the countryside were hired. Gradually, all former social benefits were taken away from workers under the pretext that from then on they became 'owners' of enterprises. The 48-hour working week was introduced but the workers are compelled to do additional work, often unpaid, under various pretexts. Work norms based on the output of shockworkers were introduced. These norms are usually beyond the capabilities of the average worker. Formerly, one work day pay was enough to maintain a three person family, now it suffices for one person only, at the maximum."

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